

Court-appointed rehabilitator terminates employment of five AIK Comp officials

COURT-APPOINTED REHABILITATOR TERMINATES EMPLOYMENT OF FIVE AIK COMP OFFICIALS

Decision part of ongoing rehabilitation of workers' comp fund

FRANKFORT, Ky. (Aug. 30, 2004) – Acting under his authority as court-appointed rehabilitator for AIK Comp, Martin Koettters has terminated the employment of five top officials of the workers' compensation self-insurance fund who were placed on paid administrative leave earlier this month.

Following a three-week review of the fund's past business practices, it was determined these officers' employment no longer served the interests of AIK Comp members. Notice was given today to Maurice Turner, chief executive officer; Donald Vish, general counsel, secretary and executive vice president; Dewey Minton Jr., treasurer; Kathy Baker, vice president for underwriting, and Cheryl Guidice, vice president for claims administration.

Under the conditions of the termination, each of the five will receive any unpaid salary through Aug. 31; payment for accrued or unused vacation less appropriate taxes; and any deferred compensation through Aug. 31.

Koettters, who is also executive director of the Kentucky Office of Insurance (KOI), said, "We are making real progress in assessing the condition of the AIK Comp fund. Our next step will be to submit an equitable assessment plan based on the contractual obligations of members that will protect the interests of injured employees covered by AIK Comp."

AIK Comp entered into a rehabilitation agreement with KOI on Aug. 5. The fund had asked the state in late June for permission to assess its members as much as \$49 million to cover a shortfall of at least \$40 million. Governor Ernie Fletcher transferred regulatory authority over these group self-insurers from the Office of Workers' Claims to KOI on Aug. 3.

KOI is an agency of the Environmental and Public Protection Cabinet.